



REGION 9

SAN FRANCISCO, CA 94105

Via Electronic Mail
Eric Petty
Chief Financial Officer
AC Pro Inc.
9409 Buffalo Avenue
Rancho Cucamonga, California 91730
Eric.petty@acpro.com

Re: Expedited Settlement Agreement for Violations of the American Innovation and Manufacturing Act, Docket No. CAA-09-2026-0121; Entry Number 231-52764210, AC Pro Inc.

Dear Eric Petty:

The United States Environmental Protection Agency ("EPA") has determined that AC Pro Inc. has violated the American Innovation and Manufacturing Act ("AIM Act") and its implementing regulations. Enclosed is an offer to resolve AC Pro Inc.'s liability for civil penalties in exchange for a penalty payment of \$3,191 through an "Expedited Settlement Agreement" ("Agreement"). The letter below and the enclosed Agreement detail the applicable requirements and EPA's basis for its determination.

The hydrofluorocarbon ("HFC") regulations at 40 C.F.R. Part 84, Subpart A ("HFC Allocation Regulations") established a system for the phasedown of the import and production of HFCs by creating a fixed number of allowances for the production and import of HFCs. To assure the total amount of allowances is not exceeded, importers of bulk HFCs must expend allowances granted by the EPA for the amounts imported. 40 C.F.R. § 84.5(b).

On December 15 and 19, 2025, the EPA conducted an inspection of AC Pro Inc.'s imported entry 231-52764210. This shipment contained the following "Subject HFCs":

- 768.5 kg of R-32

On December 29, 2025, the EPA issued a letter recommending the denial of entry for this shipment because AC Pro Inc. failed to expend allowances for these HFCs.

The EPA has determined that AC Pro Inc. has violated the HFC Allocation Regulations as follows:

- The AIM Act, specifically:
 - The illegal import of "regulated substances" (certain bulk HFCs) without expending allowances under the HFC Allocation Regulations. See 40 C.F.R. 84.5.

The basis of the EPA's determination is set forth in Tables 1, 2, 3, and 4 of Attachment 1 of the Agreement and contains a civil penalty of **\$3,191** for the violations identified in paragraph 19 and in Table 2 of the ESA Attachment.

This Agreement contains a lower penalty than the EPA may seek through traditional enforcement. Under the traditional process, the EPA has authority to bring a judicial civil action with civil penalties of up to \$124,426 per day for each violation of the AIM Act and its implementing regulations, pursuant to Section 7675(k)(1)(C) of the AIM Act, 42 U.S.C. § 7675(k)(1)(C), and Section 113 of the Clean Air Act, 42 U.S.C. § 7413, and Title I of the Clean Air Act.

The EPA is authorized to enter into the enclosed Agreement under the authority vested in the EPA Administrator by Section 113 of the CAA. *See* 42 U.S.C. §§ 7413(a)(3)(A), (d), and 7675(k)(1)(C). After this Agreement becomes effective, and provided you fully comply with its terms, the EPA will not seek further civil penalties against you for the violations covered by the Agreement. However, the EPA does not waive its ability to take an enforcement action for any other past, present, or future violations of the AIM Act, or of any other federal statute or regulation or to impose administrative consequences pursuant to 40 C.F.R. § 84.35.

To take advantage of the expedited process, **you must comply with each of the following conditions within 20 business days** of the date of signature of this letter:

- Complete and certify as completed, the corrective action in accordance with Table 4 of ESA Attachment 1, and
- Complete, sign, and return to the EPA the Agreement.

If you have any questions or would like to request an extension for the above-referenced conditions, you should contact Rachel Dye of the EPA's Air Enforcement Division at 213-244-1869 or dye.rachel@epa.gov. The EPA will consider whether to grant an extension on a case-by-case basis. Any extension will not exceed an additional 30 business days (total of 50 business days from the date of signature). The EPA will not accept or approve any Agreement returned more than 20 business days after the date of signature of this letter unless an extension in writing has been granted by the EPA.

If you choose to sign and return the Agreement, the EPA will submit the Agreement for ratification by the Regional Judicial Officer and issuance of a Final Order. Upon ratification of the Agreement and issuance of the Final Order, the EPA will send you a copy of the ratified Agreement and Final Order. **You must submit proof of payment of the civil penalty to the EPA within thirty (30) calendar days after the date on which the Regional Judicial Officer ratifies the Final Order ("Filing Date"). Payment of the penalty may not be made before the Filing Date. (See Section E of the Agreement).** Instructions for payment are included in the Agreement.

Please note that if you do not sign and return the enclosed Agreement (or request an extension) within 20 business days of the date of signature of this letter (or up to 50 business days if an extension was requested and granted), the settlement offer may be withdrawn with no additional notice to you, and without prejudice to the EPA's ability to file an enforcement action for the violations identified in the Agreement and ESA Attachment 1, and to seek penalties for each violation.

Sincerely,

Amy C. Miller-Bowen, Director
Enforcement & Compliance Assurance Division
U.S. Environmental Protection Agency, Region IX

Enclosures

cc: Neil Abraham, AC Pro Inc.